



Energy Trust of Oregon Q2 2011 Report to the Oregon Public Utility Commission

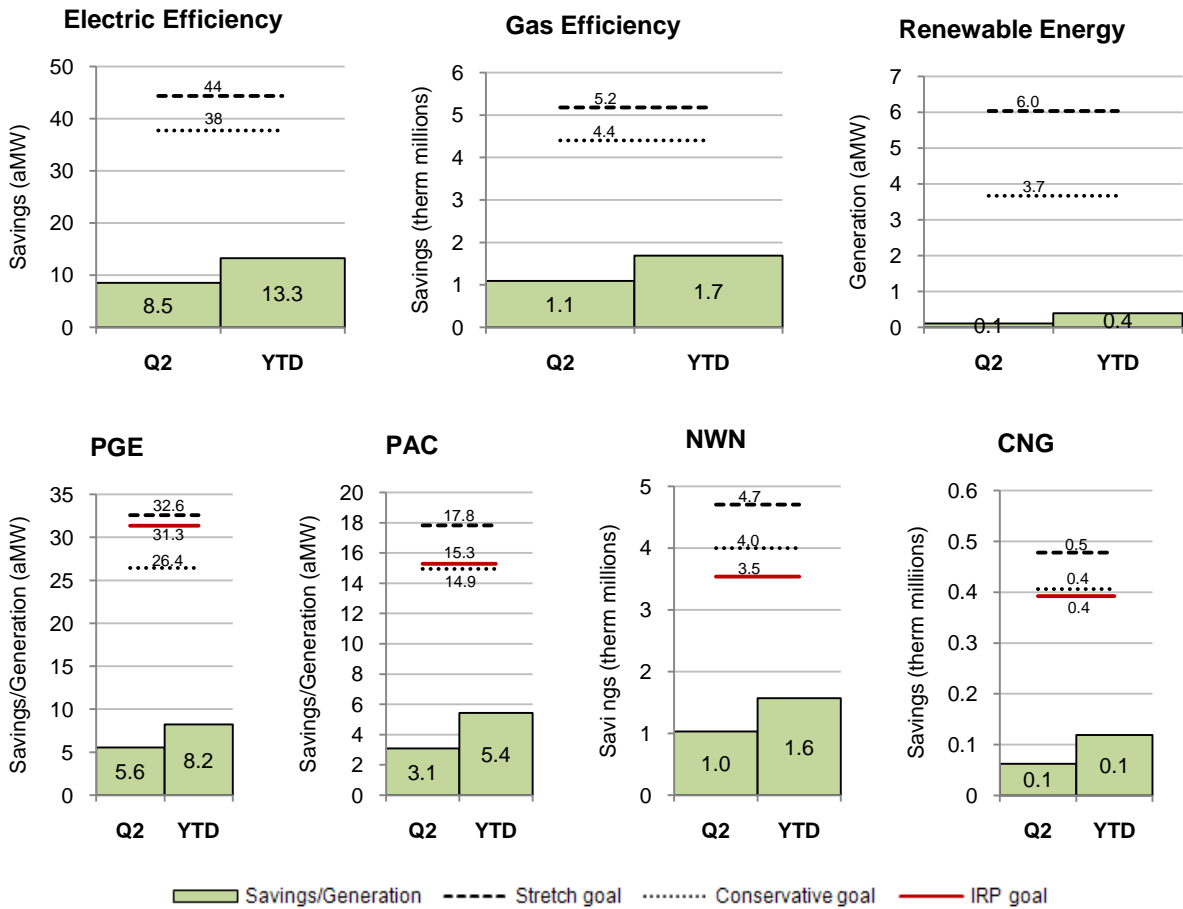
August 15, 2011

This report covers activity between April 1 and June 30, 2011

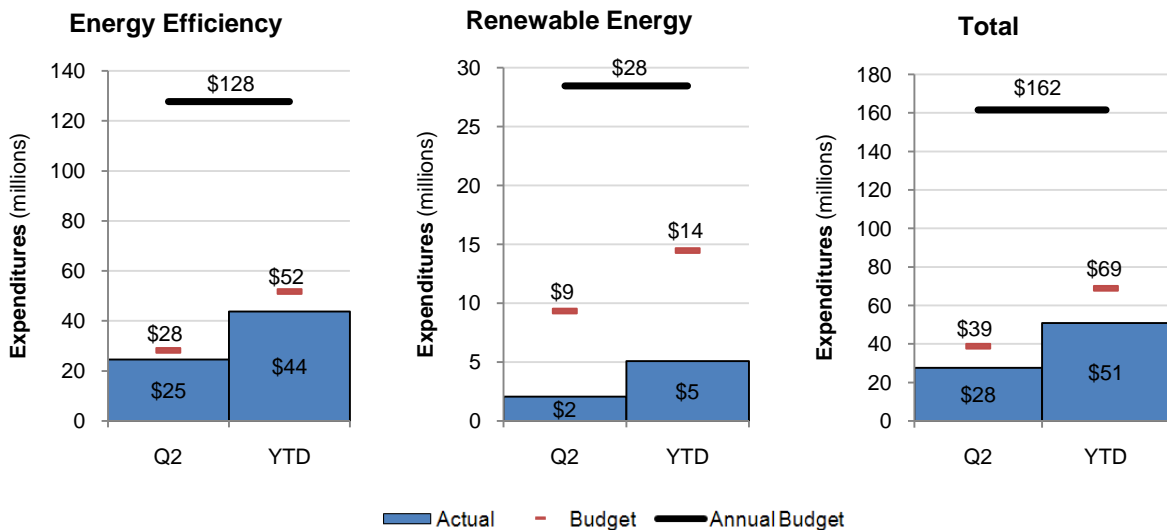
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I. Q2 2011 ACTIVITY AT A GLANCE

Savings and Generation



Expenditures



Residential activity in Q2 2011

New homes	290
<i>New manufactured homes</i>	25
Weatherization retrofits	2,762
<i>Single-family site-built</i>	1,238
<i>Manufactured or mobile</i>	1,524
Solar electric installations	136
Home Energy Reviews	1,271
TOTAL SITES	4,459
Heating systems	699
Water heaters	428
<i>Solar</i>	20
High-efficiency products	16,797
<i>Washing machines</i>	8,950
<i>Dishwashers</i>	531
<i>Refrigerators</i>	7,316
High-efficiency lighting*	227,499
Refrigerators, freezers recycled	4,920
Energy Saver Kits sent	4,017
TOTAL OTHER ACTIVITY	26,861

* Lighting excluded from totals

Commercial activity in Q2 2011

High-efficiency new buildings	75
Solar	23
<i>Solar water heating installations</i>	11
<i>Solar electric installations</i>	12
Retrofits	761
<i>Institution/government</i>	3
<i>Lodging</i>	14
<i>Multifamily buildings</i>	106
<i>Offices</i>	131
<i>Restaurants</i>	104
<i>Retail</i>	88
<i>School/college</i>	48
<i>Other commercial</i>	359
Studies	61
TOTAL	920

Industrial/Agricultural activity in Q2 2011

Projects	181
<i>Custom capital</i> ¹	25
<i>Custom O+M</i> ²	3
<i>Strategic Energy Management</i> ³	1
<i>Industrial lighting</i>	6
<i>Small industrial</i> ⁴	62
<i>Prescriptive</i> ⁵	18
Strategic Energy Management participating companies	33
Studies	23

¹ Top measures = compressed air system improvements, process upgrades

² Equipment modifications to improve efficiency

³ Savings from no-cost or low-cost operational steps (i.e. turning off equipment when not in use) identified through trainings in strategic energy management approaches/disciplines

⁴ Targets users with gas or electric costs under \$25,000/year; top measures = irrigation system improvements, compressed air system improvements, HVAC

⁵ Top measures = sprinklers, replacement gaskets, nozzles

Renewable energy activity in Q2 2011

Biopower projects	--
Solar electric installations	148
<i>Residential</i>	136
<i>Commercial</i>	12
Other renewables	4
<i>Wind projects</i>	4
<i>Hydro projects</i>	--
<i>Geothermal projects</i>	--
TOTAL	152

Other activity in Q2 2011

Calls	9,058
Website visits	120,774
info@energytrust.org inquiries	333
Customer complaints	5
Trade ally roundtable meetings	4
Attendance	175
News stories in print, broadcast	107

II. HIGHLIGHTS OF Q2 ACTIVITIES

A. Savings and generation

Quarter 2

- The Oregon Legislature passed HB 3672, creating new energy tax credit programs to replace existing energy tax credit programs. Current residential energy tax credits will remain in place until 2012. The Oregon Department of Energy will develop rules for the new renewable energy tax credit program, which was substantially reduced to \$1.5 million/year. The Oregon Department of Energy will also develop rules for the new business energy tax credit program for energy efficiency. In the interim period until new rules are adopted, an anticipated 600 business energy tax credit projects with current precertification approvals will be denied credits this year because of a new legislative eligibility date of April 15, 2011. Current year Energy Trust projects and corresponding savings and generation are directly impacted by these changes in key areas. According to preliminary analysis, as much as 20 percent of overall 2011 energy savings may be in jeopardy. Specifically, lighting projects and custom capital projects for both commercial buildings and industry are especially dependent upon business energy tax credits. In concert with staff, program contractors and utilities, Energy Trust analyzed potential tax credit impacts and developed proposed mitigation strategies. Such strategies will be presented and considered by the Conservation Advisory Council on August 10 and by the board of directors and utilities on August 17. Following these meetings, staff will communicate directly with customers regarding what, if any, mitigation measures will be put in place to help ensure achievement of annual savings goals. Impacts stemming from energy tax credit changes are expected to be far greater in 2012 due to the absence of six months of completed activity and corresponding momentum associated with projects already underway.
- Electric efficiency projects completed during Q2 are expected to save 8.5 average megawatts, about 23 percent of the 2011 electric conservative goal and 19 percent of the 2011 electric stretch goal of 44 average megawatts. Q2 electric savings are two percent below results from Q2 2010.¹
- Gas efficiency projects completed during Q2 are expected to save 1.1 million annual therms², about 25 percent of the 2011 gas conservative goal and 21 percent of the 2011 stretch goal of 5.2 million annual therms. Q2 gas savings are 46 percent above Q2 2010 results, reflecting especially strong performance in the residential sector.
- Renewable energy projects completed during Q2 are expected to generate 0.1 average megawatts, about 3 percent of the 2011 renewable energy conservative goal. Q2 generation is down 67 percent from Q2 2010. While residential solar installations are moving forward, many commercial renewable energy projects have been delayed or cancelled in response to uncertainty regarding the future of Oregon energy tax credits. Nonetheless, programs anticipate fully committing 2011 Pacific Power renewable energy funds, while anticipating carryover of \$2 million to \$3 million in budgeted Portland General Electric funds. Comparatively more projects obtained tax credit pre-certifications in Pacific Power territory.

¹ Comparisons to Q2 2010 savings and generation reflect values modified by the 2011 true-up exercise, which was completed in March 2011. The values may differ from those published in the Q2 2010 report.

² The gas savings do not include NW Natural results in Washington. These results are reported in Appendix 6.

Cumulative

- Including Q2 2011 results, electric efficiency programs have cumulatively saved 268 average megawatts since March 1, 2002. When savings from self-directed industrial projects are added, the total represents 60 percent of Energy Trust's 2014 goal of 479 average megawatts. This is equivalent to the annual electric consumption of approximately 207,459 average Oregon homes.
- Including Q2 2011 results, cumulative savings of 19.5 million annual therms have been realized since gas programs began in 2003, accounting for 56 percent of the 2014 goal of 34.7 million annual therms. This is equivalent to providing gas heat to approximately 38,405 homes.
- Since March 1, 2002, renewable energy efforts have helped develop projects with generation totaling 103 average megawatts, accounting for 83 percent of the 2014 goal of 124 average megawatts. This is equivalent to powering approximately 80,154 average Oregon homes.

A. Revenues and expenditures

- Overall public purpose revenue plus incremental electric revenue from SB 838 totaled \$34.0 million for Q2 2011, approximately 10 percent more than budgeted revenues. As the year progresses, revenues are expected to closely align with budget.
- Q2 expenditures totaled \$27.6 million, of which \$13.4 million or 49 percent was for incentives.
- Q2 electric efficiency expenditures were 10 percent under budget for the quarter. The Production Efficiency program accounts for almost two-thirds of the underspending, driven by a lag of projects in the PGE pipeline that the program is working to fill.
- Q2 gas efficiency expenditures for the quarter were 26 percent under budget for the quarter. Although the Existing Homes program, which has the largest gas budget, was responsible for almost 60 percent of the underexpenditure, the program nevertheless expects to meet stretch gas goals. This underspending results from a slower than planned start-up for Clean Energy Works Oregon combined with a spending forecast based on historical patterns that previously included gas furnace incentives, now discontinued.

B. Appendices

- Appendix 1 shows a geographic distribution of Home Energy Reviews conducted in Q2 2011, and customer satisfaction results from winter/spring 2011 (see page 21).
- Appendix 2 presents Oregon Public Utility Commission performance measures for Energy Trust and benefit/cost ratios from Energy Trust's 2010 annual report (see page 22).
- Appendix 3 includes reports from Pacific Power and PGE on Q2 2011 utility activities supported by their shares of SB 838 funding, providing additional support for electric efficiency acquisition above funds collected through the public purpose charge (see page 23).
- Appendix 4 summarizes Northwest Energy Efficiency Alliance Q2 2011 market transformation activities in PGE and Pacific Power Oregon service territories, funded by Energy Trust (see page 29).
- Appendix 5 provides the Q2 2011 report on Energy Trust activities serving NW Natural customers in Washington (see page 32).

C. Commercial sector highlights

- Prior to changes in the Business Energy Tax Credit, commercial programs had been on track to meet or exceed 2011 stretch goals for each utility except Cascade Natural Gas, for which results were slightly lagging. With the anticipated changes to the Business Energy Tax Credit, meeting annual stretch goals is uncertain. While analysis and mitigation options are underway, lighting and custom capital projects in Existing Buildings appear to be the most affected. Because both New Buildings and the Multifamily initiative within Existing Buildings anticipate few impacts in 2011, net impacts on 2011 commercial sector results are lessened. Overall, greater commercial sector impacts will occur in 2012, and the budget and action plan process in fall 2011 will anticipate and explore mitigation options as well as corresponding costs and benefits.

Existing Buildings

- Existing Buildings Q2 2011 electric and gas savings are considerably ahead of Q2 2010—up 33 percent for electric savings and 7.7 percent for gas savings. The program's intensified outreach efforts in Q2 helped offset a slow start in Q1 2011.
- Economic conditions continued to favor more, smaller projects. The program closed 1,156 projects with \$3.7 million in incentives through Q2 2011, compared to 790 projects with \$3.6 million in incentives through Q2 2010.
- During Q2, the Existing Buildings program restructured its studies to provide customers with a preliminary analysis of project costs and benefits. Deeper analysis is reserved for projects determined to be feasible and likely to move forward.
- The program launched two pilots during Q2: one pilot will assess use of building information systems to forecast and track operational savings; the other will assess the value of providing design assistance to minimize lighting power density.
- The \$5/fixture T12 to T8 lighting bonus resulted in 62 percent more projects with T8s and 42 percent more savings from T8s than at the same time last year.
- The program's Multifamily track continued to derive most savings from direct-install instant-savings measures, having served more than 4,800 units in Q2 and over 9,000 units so far this year throughout Oregon.
- Collaborations with affordable and low-income housing organizations initiated in Q2 are expected to yield long-term savings through multifamily projects in all service territories, stemming from an increased volume of capital projects in addition to traditional instant-savings measures.
- A new offer of custom study assistance and incentives for multifamily properties launched in Q2 has already attracted six custom boiler projects, compared to an historical average of two large boiler projects per year.

New Buildings

- New Buildings closed 93 projects in Q2 2011, a 55 percent increase over Q2 2010.
- The program continued to focus on quick-turnaround gas savings projects to help boost gas results.
- The program expects to close 212 projects in 2011. Through Q2, the program enrolled 79 new projects for a total 185 enrollments year-to-date.
- During Q2, the program provided \$55,617 in incentives for 13 projects at seven public K-12 schools, two community colleges in Bend and Portland, and one project each at University of Portland and Oregon State University.

- Other noteworthy New Buildings projects completed during Q2 include a fire station and phase 1 of a major data center warehouse conversion, both in Hillsboro; a new Costco with custom daylighting controls in Roseburg; and a LEED® Gold six-story mixed use multifamily development in Portland's South Waterfront district.

D. Industry and Agriculture sector highlights

Production Efficiency

- Prior to Business Energy Tax Credit changes, the Production Efficiency program expected to meet or exceed stretch goals in every service territory except PGE. Program staff and delivery contractors continued to focus on identifying new PGE projects, as the pipeline of known projects is tracking behind historical trends.
- The anticipated changes to the Business Energy Tax Credit and how they will affect year-end results are not known. Current analysis shows that lighting and custom capital projects are expected to be most deeply impacted. The full effect of the changes on 2011 results will be mitigated because a number of projects have completed, and because the program includes savings from a number of measures and services not affected by Business Energy Tax Credit changes.
- Interest in industrial strategic energy management continued to grow among Oregon industries. Thirty-three plants are currently enrolled in comprehensive technical service offerings such as the Industrial Energy Improvement initiative (IEI), IEI Maintenance and Kaizen Blitz. Participating plant managers and employees are actively engaged in reducing energy waste and creating a culture of efficiency by changing how they track, measure and manage energy usage.
- The *90 by 90* custom operations and maintenance special incentive offer also attracted robust participation in Q2, with 41 sites currently enrolled and implementing recommended low- and no-cost measures over a 90-day period. Having originally planned this as a short-term special offer open in the first half of the year only, the decision was made to extend the enrollment period through mid-Q3 due to customer demand.
- Refrigeration Operator Coaching (ROC) launched in Q2, with five food processors and cold storage facilities participating. ROC provides mentored technical training for refrigeration operators on practical changes to optimize performance of industrial refrigeration systems and capture energy savings.

E. Residential sector highlights

- Residential programs are tracking ahead of 2010 in savings and percentage of year-end goals achieved year to date. Only minimal impacts are expected this year because the existing residential energy tax credit program remains in place until 2012.

Existing Homes

- Existing Homes is on target to meet or exceed annual stretch savings goals for all four utilities. Results for the quarter are strong, as annual savings for the OPOWER pilot (Personal Energy Reports for customers of PGE and NW Natural) were booked in Q2.
- The second round of Personal Energy Reports was sent to PGE and NW Natural customers in May. Call volume was slightly lower compared to the first round of reports, while opt-out rates remained low at 159 (0.27 percent). Results from a preliminary process evaluation and billing data analysis will be available in Q3.

- Year-to-date savings from existing mobile homes has achieved 85 percent of the annual goal for this program track. For this program track, gas savings for the quarter doubled from Q2 2010, while electric savings grew nearly three-fold—and electric savings outside the Portland metro area experienced a nearly 70 percent increase over Q2 2010.
- The Clean Energy Works Oregon pipeline is robust. Almost 2,000 applications were received by the end of Q2, of which fewer than one-quarter were declined or withdrew. During Q2, almost 500 test-ins were completed and 100 loans signed. Approximately 1,200 Home Performance with ENERGY STAR® upgrades are expected to complete in 2011, above the 1,000 needed to comply with annual targets.
- An incentive to stock a new class of high-efficiency ENERGY STAR tank water heaters has obtained traction among many distributors, and consumer demand is beginning to grow.
- The Savings Within Reach initiative, which offers higher incentives for moderate income households, has achieved over 50 percent of its gas goal. Results are particularly strong in Clackamas County, which leveraged a \$1,000 matching incentive funded through the American Recovery and Reinvestment Act.
- In Q2, 235 homeowners completed the online Home Energy Profile exercise and requested a follow-up call to review results. Of these, 100 homeowners completed phone-based Home Energy Reviews, and only four requested in-home visits—promising results for this new direction of customer engagement.

New Homes

- New Homes and Products expects to exceed the annual Pacific Power stretch goal and reach 95 percent of stretch goals for PGE and NW Natural.
- The current program pace would leave Cascade Natural Gas short of the conservative goal. The shortfall is due to a slower-than-anticipated rebound from the 2010 construction downturn in Cascade Natural Gas service territory. To bolster savings, water districts in Cascade Natural Gas territory will be added to the showerhead program, now serving Bend, Pendleton and Portland. Although details differ by district, the agencies generally offer showerheads in the course of providing in-home water audits and/or make them available online.
- During Q2, the 1,000th Energy Performance Score (EPS) was processed for a new home. Year-to-date EPS results represent a 14.7 percent market share, close to the 17 percent market share goal for the year. The number of EPS new homes built is on track at 50 percent of the annual goal of 810 homes.
- Oregon's new residential code takes full effect October 1, 2011. Incentives offered for stand-alone measures helping new homes meet the code will sunset at that time.
- Specialty lighting promoted through Bonneville Power Administration's "Simple Steps, Smart Savings" campaign has spilled over and created improved lighting results in Pacific Power territory; lighting is forecast to exceed annual savings goals.
- Refrigerator recycling achieved 40 percent of the annual goal by the end of Q2, outpacing results from previous years.

G. Renewable energy highlights

- Including 0.1 average megawatts added in Q2, renewable energy programs have installed 39 percent of generation originally expected to come on-line by the end of Q2.

- The shortfall reflects the impact of legislative changes to the Business Energy Tax Credit that will extend the completion date for pre-certified commercial projects by six months. Nearly every committed large non-solar project is now expected to complete in 2012.
- As a result of the Business Energy Tax Credit impacts, renewable energy programs are now forecasting 2 average megawatts in new installed generation for 2011, below the conservative goal of 3.7 average megawatts. New project commitments are expected to total 5-12 average megawatts and will be completed in future years. Programs anticipate fully committing 2011 Pacific Power funds and expect to carry over \$2 million to \$3 million in budgeted PGE funds at year-end.

Solar Electric

- Introduced in May, the solar electric program's third-party residential application process triggered a large increase in application volume: 102 of 276 residential solar applications in June represented systems to be installed and owned by a third-party solar service provider. After a slow start to 2011, residential solar volume is up 15 percent compared to mid 2010.
- In addition to the success of third-party ownership and Solarize models, the volume of independent, directly owned residential solar systems was 12 percent higher at the end of Q2 2011 compared to 2010. Solarize-related projects represent 10 percent of 2011 applications to date versus 52 percent by mid 2010.

Biopower

- Supported by Energy Trust, the U.S. Environmental Protection Agency and Bonneville Power Administration funding, representatives of 13 wastewater treatment facilities completed training in how to use system management tools to increase energy efficiency and renewable energy generation.
- Another change to the Business Energy Tax Credit extended the biomass producer/collector tax credit through 2017. This serves biomass products delivered to eligible energy facilities including dairy manure and woody biomass from logging and forest restoration. This provision may help offset expected reductions in funding due to other Business Energy Tax Credit changes.

Other

- Following a Q1 staff and industry representative review, participation requirements for the Small Wind program were revised and additional guidance offered to applicants. Contractors now must validate their methodology for determining wind resources, turbine generation estimates must be based on site-specific information rather than manufacturers' estimates and installations must adhere to stricter standards. The changes are expected to produce more accurate energy generation estimates, better performing installations and improved customer satisfaction.

III. TABLES

A. Revenues

Source	Q2 Actual Revenues Received	Q2 Budgeted Revenues
Portland General Electric	\$ 9,178,218	\$ 8,442,112
PGE Incremental	\$ 6,985,798	\$ 6,333,805
Pacific Power	\$ 6,145,114	\$ 5,664,758
PAC Incremental	\$ 5,356,231	\$ 4,636,560
Cascade Natural Gas	\$ 208,805	\$ 324,288
NW Natural	\$ 5,490,349	\$ 4,868,551
NW Natural Industrial DSM	\$ 633,333	\$ 518,198
Total	\$ 33,997,848	\$ 30,788,272

B. Expenditures

Type	Q2 Actual Expenditures	Q2 Budgeted Expenditures
Energy Efficiency Programs	\$ 24,603,393	\$ 28,190,249
Renewable Energy Programs	\$ 2,063,714	\$ 9,350,254
Administration	\$ 956,651	\$ 1,385,546
Total	\$ 27,623,757	\$ 38,926,050

Source	Q2 Actual Expenditures	Q2 Budgeted Expenditures
Portland General Electric	\$ 13,960,346	\$ 22,036,918
Pacific Power	\$ 9,383,544	\$ 11,109,797
Cascade Natural Gas	\$ 546,866	\$ 547,091
NW Natural	\$ 3,510,065	\$ 4,764,743
NW Natural Industrial DSM	\$ 222,937	\$ 467,500
Total	\$ 27,623,757	\$ 38,926,050

C. Incentives paid

Quarter	Energy Efficiency				Renewable Energy		Total
	PGE	Pacific Power	NW Natural	Cascade Natural Gas	PGE	Pacific Power	
Q1	\$ 3,073,777	\$ 2,737,905	\$ 1,540,658	\$ 140,451	\$ 1,991,309	\$ 479,574	\$ 9,963,675
Q2	\$ 6,001,036	\$ 3,870,352	\$ 1,793,034	\$ 253,414	\$ 703,602	\$ 782,310	\$ 13,403,748
Q3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Q4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 9,074,813	\$ 6,608,257	\$ 3,333,692	\$ 393,866	\$ 2,694,910	\$ 1,261,884	\$ 23,367,422

D. Savings and generation

Q2 Electric Efficiency Savings	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Commercial	1.9	0.9	2.8	\$ 7,862,669
Industrial	0.8	0.9	1.6	\$ 4,517,072
Residential	2.8	1.3	4.1	\$ 8,831,352
Total Electric Efficiency Programs	5.5	3.0	8.5	\$ 21,211,093

Q2 Gas Efficiency Savings	NW Natural therms	Cascade Natural Gas therms	Total Savings therms	Expenses
Commercial	264,772	21,051	285,823	\$ 1,252,422
Industrial	57,096	119	57,215	\$ 329,863
Residential	707,285	41,325	748,609	\$ 2,697,582
Total Gas Efficiency Programs	1,029,153	62,494	1,091,647	\$ 4,279,868

Q2 Renewable Energy Generation	PGE aMW	Pacific Power aMW	Total Savings aMW	Expenses
Biopower	0.0	0.0	0.0	\$ 246,240
Other Renewable Programs	0.0	0.0	0.0	\$ 388,921
Solar Electric Program	0.0	0.1	0.1	\$ 1,497,636
Total Renewable Programs	0.0	0.1	0.1	\$ 2,132,797

E. Progress toward goals by utility

	Q2 Savings	YTD Savings	Energy Trust Annual Stretch Goal		Annual IRP Goal	
			Goal	% Achieved YTD	Goal	% Achieved YTD
Portland General Electric	5.51 aMW	7.95 aMW	29.18 aMW	30%	31.34 aMW	28%
Pacific Power	3.03 aMW	5.32 aMW	15.17 aMW	39%	15.29 aMW	38%
NW Natural	1,029,153 annual therms	1,570,872 annual therms	4,702,348 annual therms	35%	3,537,114 annual therms	47%
Cascade Natural Gas	62,494 annual therms	118,741 annual therms	477,791 annual therms	30%	391,753 annual therms	36%

F. Incremental utility SB 838 expenditures

Utility	Q2 2011 SB 838 expenditures	YTD SB 838 Expenditures
Portland General Electric	\$ 138,644	\$ 258,195
Pacific Power	\$ 309,113	\$ 386,440
Total	\$ 447,757	\$ 644,635

* Reflects incremental increase in costs derived from expenditures incurred by Pacific Power and PGE under terms of the agreement described in SB 838. See Appendix 1 for a report from these utilities on their SB 838 activities during the quarter.

**Appendix 1 GEOGRAPHIC DISTRIBUTION OF HOME ENERGY REVIEWS;
CUSTOMER SATISFACTION**

1. Home Energy Reviews in Q2 2011

Service Region	Q2 2011	Q2 2010
1 - North Coast (Astoria)	7	7
2 - South Coast (Coos Bay, North Bend)	16	10
3 - Portland Metro	421	985
4 - Mid-Willamette (Salem, Dallas)	56	112
5 - Southern Willamette (Eugene, Corvallis, Albany)	70	83
6 - Southern (Medford, Roseburg, Grants Pass)	92	58
7 - Columbia Basin (Hood River, The Dalles)	8	2
8 - Central (Bend, Redmond, Prineville)	105	99
9 - Klamath Basin (Klamath Falls, Lakeview)	27	11
10 - Northeast (Pendleton, Enterprise)	40	64
11 - Eastern (Baker City, Ontario, Vale)	11	4
Total	853	1,435

Values for Q2 2011 are lower than actual reviews conducted. In Q2 2011, program management staff redirected resources from processing Home Energy Review documentation in order to schedule home assessments for the unexpectedly high number of Clean Energy Works Oregon applications.

2. Customer satisfaction winter/spring 2011

From mid-February through mid-May Energy Trust delivered a short telephone survey to 725 participants in six programs to whom incentive checks had been sent January through March. Below are results from this most recent quarterly survey. Satisfaction rates are down a few points for most programs, mostly due to longer waits to receive incentive checks caused by high end-of-year incentive application volumes.

Program	Respondent count	Percent satisfied
Existing Buildings and Multifamily	53	91%
New Buildings	19	84%
Production Efficiency	24	92%
New Homes and Products (products only for Q1)	149	93%
Existing Homes	443	90%
Solar	37	92%

Appendix 2 OPUC PERFORMANCE MEASURES AND 2010 BENEFIT/COST RATIOS

OPUC performance measures

Following are the most recent performance measures established by the OPUC for Energy Trust. Comparison of 2011 performance against these measures, or revised measures developed by OPUC, will be reported in the 2011 annual report.

Category	Measures
Energy Efficiency	<ul style="list-style-type: none"> Obtain at least 31 aMW computed on a three-year rolling average Levelized cost not to exceed 3.5 cents/kWh
Natural Gas	<ul style="list-style-type: none"> Obtain at least 1.8 million annual therms computed on a three-year rolling average Levelized cost not to exceed 60 cents/therm
Renewable Energy	<ul style="list-style-type: none"> Achieve at least 3 aMW from small-scale projects, computed on a three-year rolling average
Financial Integrity	<ul style="list-style-type: none"> Receive an unqualified financial opinion from an independent auditor on annual financial statements
Administrative/Program Support Costs	<ul style="list-style-type: none"> Keep below 11 percent of annual revenue
Customer Satisfaction	<ul style="list-style-type: none"> Demonstrate reasonable rates
Benefit/Cost Ratios	<ul style="list-style-type: none"> Report both utility system and societal perspective on an annual basis
Incremental Electric Efficiency Funding	<ul style="list-style-type: none"> Report annually energy savings achieved as a result of SB 838

Benefit/cost ratios for 2010 (will be updated for 2011 in the 2011 annual report)³

Program	Combined Utility System Benefit/Cost Ratio	Combined Societal Benefit/Cost Ratio
New Homes and Products	2.1	2.1
Existing Homes	2.6	2.8
Existing Buildings	3.8	2.1
New Buildings	3.8	2.8
Production Efficiency	4.1	2.8
NW Energy Efficiency Alliance	4.7	1.6

³ By law, Oregon public purpose funds may be invested only in cost-effective energy-efficiency measures—that is, efficiency measures must cost less than acquiring the energy from conventional sources.

Appendix 3 Q1 2011 UTILITY ACTIVITIES SUPPORTED BY SB 838-AUTHORIZED FUNDING

Per agreement with the OPUC, Pacific Power and Portland General Electric report their SB 838 program support activities in Energy Trust's quarterly and annual reports. Content and format were developed by the utilities, following a sector outline suggested by Energy Trust, and appear here as received.

1. **Pacific Power SB 838 Energy Efficiency Activities and Results Q2 2011**
(for submission with Energy Trust Quarterly Report)

SB 838 General

- Pacific Power's Energy Trust liaison lead and coordinated efforts throughout the second quarter of 2011 on continued EEAST implementation. This included several meetings with Clean Energy Works Oregon, South Central Oregon Economic Development District, Oregon Public Utility Commission as well as Energy Trust and other utilities. Work included finalizing a temporary agreement with Clean Energy Works and ShoreBank Enterprise Group. As of the close of the second quarter 2011, Pacific Power has provided:
 - 174 credit requests for Portland (this includes all activity under the original Portland program, Clean Energy Works Portland, launched late 2009)
 - 30 loans are currently billing
 - 0 credit requests for the program launched in Jackson/Josephine counties (program launched in April 2011)
 - 0 loans are currently billing
 - 0 credit requests for the program in any other Pacific Power service areas
 - 0 loans are currently billing

SB838 Commercial efficiency programs

- Throughout the second quarter of 2011, Pacific Power coordinated, delivered and began the follow up process of its "Power of Main Street" energy efficiency road shows. These events focused on small to mid-size commercial customers, particularly those in leased spaces, and how they can improve energy efficiency. Pacific Power worked with multiple local partners to generate interest and attendance at the events including: Energy Trust of Oregon, Cottage Grove Chamber of Commerce; Klamath Falls Downtown Association; Heart of Medford Association; City of Grants Pass; Downtown Roseburg Association; South Coast Development Council; Pendleton Downtown Partnership; Albany Downtown Association; Astoria Downtown Historic District Association; Seaside Chamber of Commerce, Hood River Chamber of Commerce, Alberta Main Street and, Oregon Main Street. Pacific Power worked with an energy efficiency expert to deliver the message about energy efficiency and the impact to the bottom line for businesses. Pacific Power also offered:
 - A one hour on-site walk through with Pacific Power to document information about the customer's building and how they use energy. Pacific Power reviewed lighting, office equipment, HVAC and foodservice equipment. Pacific Power also provided practical no cost/low cost ideas for saving energy and review which improvements may be eligible for Energy Trust cash incentives.

- Facilitated additional support for on-site assistance from Energy Trust of Oregon and local contractors.
- On-site account set up for Pacific Power's free Business Solutions Toolkit.
- And is continuing regular checkups with Pacific Power on recommended energy saving improvements through the remainder of the year.

“Power of Main Street” event locations:

- March 30, Cottage Grove (this was a mini-version hosted by the Cottage Grove Chamber of Commerce)
- May 16, Klamath Falls – 59 registered
- May 23, Pendleton – 56 registered
- May 25, Medford – 79 registered
- May 25, Grants Pass – 70 registered
- May 25, Roseburg – 70 registered
- May 26, Coos Bay – 68 registered
- May 26, Albany – 41 registered
- May 27, Astoria – 45 registered
- In process --- July 29, Seaside (this is a mini-version hosted by the Seaside Chamber of Commerce)
- In process --- September 13, Hood River (this is a mini-version hosted by the Hood River Chamber of Commerce)
- In process --- September/October, Portland (this is a mini-version hosted by Pacific Power and Alberta Street Main Street)

“Power of Main Street” customer survey results indicate:

- Most customers (49.5%) heard about the event through a mailed invitation. Other recognized outreach included email from Pacific Power (35.5%) and email from a local association (14.5%).
- Most customers attended the events to learn how to reduce their energy bill (54.4%). Other popular answers were to save money (47.7%) and conserve energy (36.2%). Customers were least interested in environmental concerns (17.9%).
- Nearly all customers (91.5%) indicated that improving energy efficiency at their business was a medium to high priority.
- Most customers (50.2%) indicated they had done a few things to improve energy efficiency at their business, but could do a lot more. 20.1% of customers indicated they had done very little or nothing.
- When it comes to barriers to making energy efficiency improvements at their businesses, most (42.4%) indicated they were unsure of what improvements to implement. 30.9% said they could not afford it.
- Most customers (77.4%) feel the economy is about the same or improving.
- Most customers (96.9%) were satisfied or very satisfied with the speakers at the events.
- Most customers (96.4%) agreed or strongly agreed the conference content was appropriate and informative.

- By the end of June, 228+ customers had made a request for a free onsite energy assessment from Pacific Power. Many customers reported on their surveys that they would look into taking advantage of lighting upgrades and HVAC tune ups (the two Energy Trust measures promoted at the events).
 - Not surprising, many customers indicated they would like to see more information about renewable options (solar, wind) and future conferences. Additionally, customers indicated it would be valuable to have a panel of businesses that could present their case studies and participate in a Q&A.
 - Some things that customers liked most about the conferences were the energy efficiency examples provided in the presentations, knowledgeable speakers (a strong theme), and site locations/catering.
 - Items that customers noted as improvements for future conferences were to make available more information on the suite of incentives that customers can take advantage of (Energy Trust, tax credits, grants, financing), and personal comfort issues (room too hot/cold, microphone too loud/quiet).
 - 92.9% of customers said they would recommend the conference to others.
- With the recent passage of Oregon's "Cool Schools" legislation, Pacific Power is underway with planning a series of outreach events for K-12 schools within the service territory. The events will focus on energy efficiency measures and incentives available to schools, new financing options made available under the Cool Schools initiative, Business Energy Tax Credit updates, and a focus on benchmarking using the Environmental Protection Agency's (EPA's) Energy Portfolio Manager. A panel of Speakers at the event will include Pacific Power, Oregon Department of Energy, Energy Trust of Oregon, and a representative from a local K-12 school to provide a case study on energy management. Pacific Power is also working with a contracted trainer to deliver a computer lab session on Energy Portfolio Manager. Pacific Power is currently scheduling six sessions around the state at local community colleges. The dates for the events are September 21, 29, and 30 and October 3, 4, and 6.
 - Welcome Aboard kits continued to be mailed to all new commercial customers. The kit contains information on Energy Trust programs and incentives to help customers invest in energy efficiency.

SB 838 Industrial efficiency programs

SB 838 Residential efficiency programs

- A May bill insert was sent to all Oregon residential customers highlighting Energy Trust's incentives for ducted and ductless heat pumps.
- A June bill insert was sent to all Oregon residential customers highlighting Energy Trust's free showerhead offer.
- A flyer focusing on summer *wattsmart* energy efficiency resources for Oregon customers was developed for handout by company representatives that focuses on several opportunities from Energy Trust, including: home energy reviews; home performance with ENERGY STAR; cash incentives; and, refrigerator recycling.

- Television, print and radio campaigns focusing on energy efficiency and Energy Trust programs ran in southern and central Oregon throughout April, May and June.
- The April Voices residential newsletter featured an article on helping customers become *wattsmart* for Earth Day. Suggestions included no cost and low cost energy efficiency measures and incentive opportunities through Energy Trust. A second article in the same newsletter highlighted free *wattsmart* resources through Energy Trust including energy saver kits, showerheads and home energy reviews.
- The May/June Voices residential newsletter *wattsmart* ways to have a cool summer including a focus on cash incentives from Energy Trust to weatherize your home. A second article focused on Energy Trust's incentives to purchase a new high-efficiency manufactured home. A third article in the same issue focused on saving water and energy with Energy Trust's free showerhead offer.
- Welcome Aboard kits continued to be mailed to all new residential customers. The kit contains information on how Energy Trust helps Pacific Power customers manage their energy costs and benefit from renewable energy.

2. **Portland General Electric SB 838 Energy Efficiency Activities and Results Q2 2011** (for submission with Energy Trust Quarterly Report)

Residential

PGE's residential customer newsletter, Update, is sent monthly to 625,000 customers in their PGE bills. April's edition featured the energy efficient Portland Water House and mentioned Energy Trust incentives. May's edition featured ductless heat pumps, and Energy Trust cash back incentives. PGE continued to support Energy Trust's Energy Saver Kit promotion (free CFLs, showerhead and faucet aerators) with an Update newsletter story in June.

PGE's residential e-newsletter, Home Connection, is sent monthly to about 350,000 customers. In April, Home Connection featured tips on home insulation. In May, Home Connection featured Clackamas County energy incentives and energy tips for renters. In June, Home Connection featured the Energy Trust's Energy Saver Kit promotion and mentioned the Energy Trust Home Comfort \$150 bonus incentive. 2,026 customers clicked on the June Home Connection Energy Saver Kit story for more information.

PGE sent 19,478 emails featuring the Owens Corning promotion to a targeted group of residential customers in June. The promotion offered a saving of 10 percent off labor and materials when customers hire a participating Owens Corning preferred contractors for installed insulation projects. The email also featured the Energy Trust Home Comfort \$150 bonus incentive. 4,328 customers opened the email (22% open rate).

Measurable Results

- 5,017 PGE customers have participated in the Energy Trust's Refrigerator Recycling program through the second quarter of 2011
- 133 PGE customers have participated in the Marathon water heater promotion
- Through June, 2011, 837 free showerheads have been installed by PGE's plumber network when on residential jobs in PGE's service territory.
- ETO Transfers through the second quarter of 2011: Appliance Program (PECI): 122, Warm Program (CSG): 264, OPower: 42

Commercial

PGE's business newsletter, Energize, is sent quarterly to 76,000 customers in their bills. The spring edition of Energize featured the spring Save More, Matter More™ promotion and a case study on Goby Walnut.

PGE's business e-newsletter, Business Connection, is sent bi-monthly to 15,000 business customers. April Business Connection featured the Save More, Matter More™ campaign and a case study on Goby Walnut. June Business Connection featured a case study on energy savings in leased space with Activate Cellular, Save More, Matter More wrap up and PGE's lighting classes.

PGE launched the Save More, Matter More™ (SMMM) campaign in the spring in an effort to feed the project pipeline earlier in the year. The campaign ran from April 1 through May 31. While most of the larger changes were made during the 2010 fall SMMM campaign, Energy Trust and PGE worked together on the spring campaign to insure another successful campaign so soon after the fall. PGE added a bangtail to the campaign as well as continued utilizing the support of our contact center and outreach through Green Mountain Energy business reps. The campaign included targeted direct mail and a "bangtail" insertion in the bill, both of which encouraged customers to return a form to enroll in the campaign or get a free energy consultation.

Save More, Matter More (SMMM) once again exceeds our goals.

SMMM Activities	SMMM Results
SMMM Web Page Hits	1,429
Sweepstakes entries for \$3,000 energy-efficiency retrofit	258
Request for free energy efficiency consultation from web pages	637
SMMM qualified leads delivered to Energy Trust	122

Energy Trust and PGE have worked together to develop a fall campaign that differs substantially from Save More, Matter More or previous Tornado campaigns.

SB838 Commercial Energy Efficiency Outreach

Key Objectives	Results 04/01/2011 to 06/30/2011
Increased Awareness of Energy Trust Programs - Outreach Presentations and Networking	24
Increased Participation-Qualified Leads delivered to Energy Trust	213
Increased Awareness of Energy Trust Programs-Number of Customers Contacted by <ul style="list-style-type: none"> • Phone • Email • On-site Consultations • Outreach Presentations 	1,598

Outreach Presentations, Networking, Trade Associations and Events

These activities elevate Energy Trust program awareness and engage customers in identifying potential energy saving opportunities.

- NW Foodservice Show
- Banks Chamber Lunch
- Clackamas Sunrise Rotary
- Wilsonville Chamber Lunch (2)
- McMinnville weekly Sunrise Rotarian meeting
- SEDCOR lunch forum
- ODOT - Small Business Information Workshop
- Washington County Recycling Event
- Hillsboro Chamber & PSWC
- Salem Sunset Rotarians
- North Salem Business Association (2)
- Westside Economic Alliance (2)
- Tualatin Chamber Lunch
- East Portland C3 Small Business Forum
- Tigard Rotary
- Shelter Management Property Managers
- Dept Administrative Services (DAS)
- Silverton Rotary
- Wilsonville Business Association Sustainability Tour (2)
- West Columbia Gorge Chamber of Commerce

Appendix 4 NEEA Q2 2011 SUMMARY REPORT FOR ENERGY TRUST OF OREGON



NEEA Quarterly Performance Report for Energy Trust of Oregon

Second Quarter 2011

Major shifts in programs

No major shifts in programs.

New initiatives

- **As part of NEEA's new Agriculture initiative aimed at maximizing energy efficiency in rural areas such as those in Energy Trust territory, completed a regional Agriculture Energy Efficiency Characterization Study.** Study will help facilitate regional energy efficiency planning and implementation by providing market intelligence to Northwest utilities to help inform future agriculture programs.
- **To facilitate information sharing, coordination and collaboration by regional energy efficiency professionals,** launched first regional online community, *Conduit*, www.conduitsnw.org, in May, 2011, which will directly benefit Energy Trust territory by accelerating collaboration.
- **Launched lighting pilot in Energy Trust's service territory** with top-performing trade allies to provide comprehensive lighting design training, coaching and project review. This will assist the local utilities in reaching their energy efficiency goals.

Innovation

- **To accelerate commercial building transactions in Seattle and Portland markets, published the [Green Building Opportunity Index](#).** Gained Portland/Seattle prominence drawing local and national interest, with numerous references by national media including Reuters, Yahoo! Finance, Crain's New York Business, and the Urban Land Institute.
- **Working with partner utilities to design a version of Continuous Energy Improvement that will provide a pathway to ISO 50001,** Northwest utilities can then offer CEI to industrial customers to support larger goals.
- **By sponsoring, promoting and attending the Industrial Energy Efficiency Forum,** NEEA is working to build regional market capability and to increase market adoption of energy-efficient business practices within the industrial sector.
- **Trained 138 people on the Oregon energy code in Energy Trust service territory in Q2.** Code compliance should increase as a result, leading to increased savings in any new construction.
- **Helped utilities in the Energy Trust service area achieve their energy efficiency goals** and fill the pipeline through the [Carbon4Square](#) energy benchmarking competition, with 85 Portland buildings participating. Conducted scoping studies in the region with 31 buildings totaling 7.9 million square feet in Q2. This will result in both operational and retrofit opportunities.

- **By providing executive sustainability and Strategic Energy Management coaching for large real estate firms** through the Market Partner Scorecard program, NEEA continues to increase demand for energy-efficient solutions.
- **Working with the Northwest Food Processors Association and Oregon Association of Nurseries to create and implement marketing strategies** to establish a regional model for setting unified energy efficiency goals. To increase NEEA's market influence, signed on as founding sponsor for the Climate Solutions *Solutions Stories Project to promote success stories to Northwest business leaders*.
- **By launching and promoting the 25inTENSity Challenge website (25in10sity.org)**, NEEA is promoting energy efficiency within Northwest industry, a key business plan goal. The website, as well as the Energy Leader Series, increases market adoption of energy-efficient business practices, and provides the market with helpful information and case studies on goal setting successes.
- **To further accelerate the efficiency levels of ductless heat pumps available in the U.S.**, NEEA provided feedback on the ENERGY STAR® "Most Efficient" category and inclusion of Ductless Heat Pumps to help shape the strategy and program approach for inverter-driven technology. The current ENERGY STAR® label does not appear to be an effective metric of ductless heat pump efficiency.
- **The NEEA 2010 Long-Term Monitoring and Tracking Study** reported on the market activity, baseline activity and per-unit savings for NEEA's former initiatives including Building Operator Certification, BacGen, Drive Power, Residential Windows and SAV-Air. The five initiatives resulted in 2010 incremental savings (due to new activity occurring in 2010) of 2.9 aMW.
- **To recognize and promote best practices and build market awareness, the BetterBricks Awards** for Oregon/SW Washington honored 11 winners from 25 nominations, with 350 business leaders attending.
- **Northwest Research Group members met in Portland to discuss regional research gaps/overlaps as well as findings from recent evaluation.** The members observed demonstrations of Co-Star (a subscription data source for commercial buildings) and the data collection tablet used in the Residential Building Stock Assessment,
- **To advance more stringent federal appliance and equipment standards**, NEEA participated in a broad range of national standards rulemakings in Q1-Q2. During the reporting period, NEEA participated in nine national standards rulemakings and six test procedure rulemakings, in addition to three product coverage determination processes.
- **To further increase consumer awareness of the most efficient televisions**, with California utilities, leading the call for a more stringent ENERGY STAR specification planned for 2012. This will ensure increased energy savings from future TVs. Also continued to advance utility retail partnerships and drive awareness of energy efficiency as an important product attribute at the buying offices of major retailers representing 80%+ of TVs sold in the region.
- **To fill the energy efficiency "pipeline," NEEA identifies, develops and helps commercialize energy-efficient emerging technologies for wider market adoption.** NEEA provides a regional mechanism to invest in emerging technologies in a way that minimizes risk to any single funder and maximizes potential benefits for all. Twenty-two NEEA projects are underway with an estimated savings potential of well over 300 aMW by 2030. In Q2, NEEA:
 - Tested an additional Northern Climate heat pump water heater (HPWH) unit; revised Northern Tier Specification now recognizes current products; developed regional collaboration on program design; developed revised unit test procedure to support next generation of Northern Tier HPWH specification
 - Completed ductless heat pump field metered sites
 - Identified and assessed 30 buildings with 30% or larger savings for common best practices within NEEA's Existing Building Renewal initiative

Major market trends

- **With the New Buildings Institute, NEEA identified only 50 deep energy retrofit office projects within the U.S. and Canada over the past ten years.** This finding is expected to support a near-zero naturally occurring baseline for deep retrofits projects. The study also detailed profiles for nine

regional deep energy retrofit projects, for use in program design and customer communications. This may increase demand and savings achieved by NEEA's Existing Building Renewal initiative in partnership with funders.

Questions or comments? Contact Aaron Cohen, Corporate Communications, (503) 688-5480, acohen@neea.org

Appendix 5 Q2 2011 REPORT FOR NW NATURAL WASHINGTON ACTIVITIES

April 1 through June 30, 2011

This Energy Trust of Oregon quarterly report covers the period April 1, 2011, through June 30, 2011. This report addresses progress toward 2011 goals for the NW Natural energy efficiency program in Washington. It includes information on expenditures, therm savings, projects completed and incentives paid during the quarter and year to date, along with highlights of program activity.

I. PROGRAM HIGHLIGHTS**A. General**

- Total Q2 savings improved significantly over Q1, with a total of 36,075 annual therms saved—including 9,296 annual therms in Existing Homes, 2,970 annual therms in New Homes and 23,809 annual therms in Existing Buildings.
- The Energy Efficiency Services Group, comprised of Clark County stakeholders, met during Q2 and identified multiple collaborative opportunities that are currently under development. These meetings will continue on a quarterly basis.

B. Commercial Efficiency Programs*Existing Buildings*

- Commercial projects completed in Q2 resulted in 23,809 annual therms saved, as expected, a significant improvement over Q1 performance.
- Q2 efforts to build the project pipeline were successful, nearly doubling the value of future projects—from 30,000 therms at the end of Q1 to 52,000 therms at the end of Q2.
- The Existing Buildings program has achieved cost-effective savings year to date, spending only 17 percent of the available incentive budget while achieving nearly 30 percent of its conservative savings goal.
- Food service equipment incentives have seen a significant decline in 2011, in part due to the glut of high quality used restaurant equipment in the marketplace. Significant savings are not expected from this sector in 2011.
- Insulation measures have been a primary mover of therm savings, accounting for approximately 45 percent of booked and pipeline savings as of the end of Q2. This is common at this time of year, as contractors hope to complete projects during the dry months. Custom controls projects account for nearly 40 percent of booked and pipeline savings.

C. Residential Efficiency Programs*Existing Homes*

- The 9,127 annual therms saved in Q2 is comparable to Q1 performance and five percent under the Q2 goal.
- The program completed 53 Home Energy Reviews during Q2.
- Weatherization measures accounted for 39 percent of Q2 therm savings, an increase from Q1, consistent with the Existing Buildings program increase in insulation projects. Hot water and HVAC projects decreased from Q1, although HVAC still accounted for 34 percent of Q2 savings. Furnaces remained the primary driver of savings.

- Program outreach has successfully targeted customers outside of the Vancouver population center, within the cities of Battle Ground, Washougal, Camas and Ridgefield, increasing customer participation by 45 percent over this time in 2010.
- Despite generating significant savings of 5,500 therms year to date, furnace installations are well below 2010 actual levels and 2011 budget. This is likely due to the significant reduction in the available federal tax credit from \$1,500 in 2010 to \$150 in 2011. A Q3 and Q4 marketing campaign will focus on promoting furnace installations.

New Homes

- Thirty-three new homes meeting Northwest ENERGY STAR® standards were completed in Q2. This measure is on pace to meet annual therm savings targets and continues to perform quite well, especially considering that permits for new single family homes in Clark County are down 23 percent compared with this time in 2010.
- While tankless hot water heaters did not achieve expected savings in Q2, the program is now offering the incentive to homeowners, in addition to builders, in an effort to boost uptake of this measure.

D. Trade Ally Network

- The Existing Homes program has added five trade allies in 2011, with a goal of an additional 12 before year end. Outreach to top-performing trade allies has accompanied this strategy by building relationships and utilizing contractors to help drive projects.
- The Q2 roundtable featured a separate breakout session specifically to benefit contractors serving NW Natural’s Washington territory. The event was well attended.

E. Washington Utilities and Transportation Commission Performance Metrics

The table below compares 2011 program goals, as established in NW Natural’s Energy Efficiency Plan for Washington (updated December 2010) with quarterly results.

Metrics	Goal	2011 Total	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Therms Saved	159,000-187,000	52,203	16,128	36,075		
Total Program Costs	\$1,212,000 – \$1,380,616	\$401,806	\$191,619	\$210,186		
Average Levelized Cost Per Measure	Not to Exceed \$0.65	\$.525	\$.785	\$.404		
Dollars Spent Per Therm Saved	Less Than \$7	\$7.70	\$11.88	\$5.83		
<i>Total Resource Cost and Utility Costs at Portfolio Level</i>	Greater than 1.0	n/a	Reported Annually	Reported Annually	Reported Annually	Reported Annually

Additional information that further explains progress toward the year-end metrics is provided in section III.

II. QUARTERLY RESULTS

A. Expenditures

		Actual Expenditures Q2	Budgeted expenditures Q2	Variance
Commercial Programs	Existing Buildings	\$ 83,882	\$ 95,008	\$ 11,125
	Subtotal	\$ 83,882	\$ 95,008	\$ 11,125
Residential Programs	Existing Homes	\$ 77,222	\$ 119,680	\$ 42,458
	New Homes	\$ 41,856	\$ 42,421	\$ 565
	Subtotal	\$ 119,079	\$ 162,101	\$ 43,022
Administration		\$ 7,225	\$ 10,664	\$ 3,438
Total		\$ 210,186	\$ 267,772	\$ 57,586

The favorable variances can be attributed to timing and will reduce in future quarters. Project installations, particularly in the Existing Homes program, will increase significantly as the year ends, along with the corresponding incentive expense.

B. Incentives paid

		Q2 Incentives
Commercial Programs	Existing Buildings	\$ 29,197
	Subtotal	\$ 29,197
Residential Programs	Existing Homes	\$ 27,989
	New Homes	\$ 19,800
	Subtotal	\$ 47,789
Total		\$ 76,986

C. Savings

		Therms saved Q2	\$/therm	Levelized Cost/therm
Commercial Programs	Existing Buildings	23,809	\$ 3.65	25.5 ¢
	Subtotal	23,809	\$ 3.65	25.5 ¢
Residential Programs	Existing Homes	9,296	\$ 8.60	61.3 ¢
	New Homes	2,970	\$ 14.59	91.3 ¢
	Subtotal	12,266	\$ 10.05	68.9 ¢
Total		36,075	\$ 5.83	40.4 ¢

III. YEAR-TO-DATE RESULTS

A. Activity

	Q1	Q2	Q3	Q4
Existing Commercial	1	7		
<i>School/college retrofits</i>	--	(3)		
<i>Other commercial retrofits</i>	(1)	(4)		
<i>Studies</i>	--	--		
Existing Homes	225	132		
<i>Weatherization (insulation, air- and duct-sealing)</i>	(29)	(32)		
<i>Furnaces</i>	(40)	(36)		
<i>Water heaters</i>	(11)	(7)		
<i>Home Energy Reviews</i>	(83)	(53)		
New Homes	40	33		
Total	266	172		

B. Revenues

Source	Actual revenue YTD	Budgeted revenue YTD
NW Natural	\$ 642,144	\$ 495,208

The variance reflects a timing difference within the 2011-12 Energy Trust board-approved budget. The full revenue amount for 2011 has already been received from NW Natural, per the current contract.

C. Expenditures

		Actual expenditures YTD	Budgeted expenditures YTD	Variance
Commercial Programs	Existing Buildings	\$ 145,888	\$ 172,323	\$ 26,435
	Subtotal	\$ 145,888	\$ 172,323	\$ 26,435
Residential Programs	Existing Homes	\$ 154,983	\$ 250,540	\$ 95,558
	New Homes	\$ 85,832	\$ 92,908	\$ 7,076
	Subtotal	\$ 240,814	\$ 343,448	\$ 102,634
Administration		\$ 15,103	\$ 20,902	\$ 5,799
Total		\$ 401,806	\$ 536,674	\$ 134,868

D. Incentives paid

		YTD Incentives
Commercial Programs	Existing Buildings	\$ 33,337
	Subtotal	\$ 33,337
Residential Programs	Existing Homes	\$ 59,542
	New Homes	\$ 43,800
	Subtotal	\$ 103,342
Total		\$ 136,679

Incentives paid year to date account for 40 percent of total year-to-date program expense. This percentage will increase in the second half of 2011. Total program expense is adjusted down by 15 percent to account for costs that a utility-delivered program would be recovering through rates.

E. Savings

		Therms saved YTD	Annual Goal (conservative)	% Achieved YTD	\$/therm	Levelized Cost/therm
Commercial Programs	Existing Buildings	26,237	89,250	29%	\$ 5.78	39.2 ¢
	Subtotal	26,237	89,250	29%	\$ 5.78	39.2 ¢
Residential Programs	Existing Homes	19,396	54,106	36%	\$ 8.30	59.4 ¢
	New Homes	6,570	15,895	41%	\$ 13.57	85.0 ¢
	Subtotal	25,966	70,001	37%	\$ 9.64	66.1 ¢
Total		52,203	159,251	33%	\$ 7.70	52.5 ¢

As anticipated, the Existing Buildings program completed several projects in Q2, greatly improving the program’s cost effectiveness year to date. This trend is expected to continue, driving \$/therm below the \$7/therm saved performance metric set by the Washington Utilities and Transportation Commission.